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FISCAL IMPACT STATEMENT

LS 6111

BILL NUMBER: HB 1028

NOTE PREPARED: Feb 19, 2009

BILL AMENDED: Feb 10, 2009

SUBJECT: Home Health Care.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires an individual to register with the Division of Aging (DoA) before the individual may receive compensation for providing attendant care services. The bill requires an individual in need of self-directed in-home care and a personal services attendant to submit their services contract to DoA, and requires DoA to keep the contract on file. It requires DoA to provide a list of personal services attendants registered with DoA upon request. The bill also provides that certain information may not be released unless the personal services attendant agrees to the release. The bill requires an individual in need of self-directed in-home care or their fiscal agent to direct deposit and perform other deductions upon the request of the individual providing attendant care services.

The bill requires DoA and the Office of Medicaid Policy and Planning (OMPP) to ensure that self-directed in-home care is offered as an option throughout Indiana. This bill requires certain home health agencies to report specified information until July 1, 2013.

This bill requires the Office of the Secretary of Family and Social Services (FSSA) to study certain information concerning self-directed in-home care and to report the results of the study to the Legislative Council not later than July 1, 2010.

(The introduced version of this bill was prepared by the Health Finance Commission.)

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *Registering with the Division of Aging:* This bill requires attendant care service providers to register with DoA as a condition of receiving compensation for services delivered to consumers. Currently, attendant care providers are required to register with DoA, but not as a condition of

receiving payment for services. FSSA reports that they are unaware of any cases where a provider is not registered with DoA and receives compensation for their services. This bill can increase DoA's workload to the extent the provisions increase the number of registrations with the agency.

(Revised) *Ensuring Self-Directed In-Home Care*: The legislation requires that DoA and OMPP ensure that self-directed in-home care is offered as a option throughout the state. FSSA reports that self-directed in-home care is currently available statewide, however ensuring that self-directed in-home care is offered as an option in all areas of the state is purported to increase administrative expenditures. Based on the current growth trends experienced in self-directed in-home care, FSSA estimates that administrative expenses will increase by \$150,000 per year to meet the requirements of the bill.

(Revised) *Reporting Requirement*: The legislation requires FSSA to study and report certain information regarding self-directed in-home care to the Legislative Council by July 1, 2010. FSSA estimates a one-time cost of \$150,000 to meet the reporting requirement of the bill. FSSA also reports that the work can be performed with the use of vendors, but the costs will still require additional funding.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background Information: Currently, individual attendant care workers must receive approval from the DoA and the client's care plan in order to receive payment for the delivery of attendant care services to Medicaid waiver clients. Additionally, DoA maintains a registry of consumer/self-directed care services for the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program. Workers must apply for and receive CHOICE approval before being added to the care plan and/or being added to the registry. Workers cannot receive payment for services before completing the approval process.

In FY 2008, FSSA had 31 vacant positions worth \$1.3 M in salary. Additionally, FSSA reverted \$32.4 M to the General Fund at the close of FY 2008.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill will increase the workload of the local Area Agency on Aging (AAA) to approve and maintain information on service providers to the extent that the number of registered service providers increase as a result of the legislation.

Explanation of Local Revenues:

State Agencies Affected: FSSA.

Local Agencies Affected: Local Area Agency on Aging.

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